

From: Fred Gibbons
To: Microsoft ATR
Date: 12/6/01 12:06pm
Subject: Letter to Judge Colleen Kollar-Kotelly RE: Microsoft

Letter to Judge Colleen Kollar-Kotelly

From:

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Founding CEO

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Your Honor

Simply stated, today the PC user has in no significant choice of operating system or productivity software such as word processor, presentation graphics, or spreadsheet. This lack of choice harms the consumer by inhibiting innovation. The findings of the courts show the Microsoft market share in these products approaches 90%.

This natural monopoly position occurs because customers and software developers benefit from a standard operating system. By having one version of the operating system, originally PC DOS then Windows, the independent software community can develop its programs only once instead of rewriting it for a panoply of slightly different operating systems unique to each personal computer. R&D money can be spent on new products not wasted on conversion. Because of the OS standard the computer "clone" industry emerged where the consumer could freely choose between dozens of personal computers knowing that all the new great application software is available and runs correctly.

Microsoft used its financial strength coupled with aggressive engineering and marketing tactics, disclosed in the anti-trust hearings, to pursue its strategy of dominance and control. Much attention is devoted to the "browser" monopoly but like Rosa Parks and the civil rights movement, it is a rallying point for a much larger protest. Consumers no longer have choice in these critical software products. In 1990 WordPerfect in word processing, Borland in spreadsheets, and Software Publishing in presentation graphics won the InfoWorld shoot-out for best of breed products in their category beating Microsoft in ease of use, speed and functionality. Today these products are heard only in whispers.

Competition can only return if there is equal and open access to Microsoft's operating system and applications. This requires Microsoft to unbundle and publish the specifications for the core modules of its operating system and

applications such that other companies can compete with plug compatible products. There is precedent for this in the AT&T and IBM decisions where third party phones could connect to AT&T and third party disc drives could connect to IBM mainframes.

The argument against this is that Microsoft will loose control of the standard and all the above mentioned benefits of standardization will be lost to the consumer. Isn't it more likely that the invisible hand of the free market will be smart enough to protect what's good about a standard and innovate where it is not.

My best,.FG

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